

FREV-245981-96

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G.C.M. 39891

date numbered: 1-3-97

Ohio Farm Bureau Federation, Inc.

EVELYN PETSCHEK

Assistant Commissioner (Employee Plans and Exempt
Organizations)

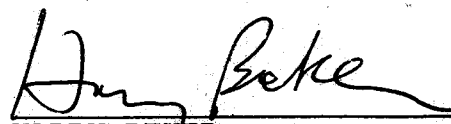
Attention: Director, Exempt Organizations Division

In Ohio Farm Bureau Federation, Inc. v. Commissioner, 106 T.C. 222 (1996), the Tax Court concluded that refraining from competition under a covenant not to compete does not constitute trade or business for purposes of the unrelated business income tax imposed under section 511 of the Code. The Government did not appeal that decision.

This holding is contrary to the conclusion reached on this point in [REDACTED] GCM 39865, TR-45-1437-90 (Dec. 12, 1991). GCM 39865 is therefore revoked.

SARAH HALL INGRAM
Associate Chief Counsel

By:


HARRY BEYER
Chief, Branch No. 6
Office of the Associate
Chief Counsel
(Employee Benefits and
Exempt Organizations)

Attachment:

Ohio Farm Bureau Federation, Inc. v. Commissioner, 106 T.C.
222 (1996)

This document is not to be relied upon or otherwise
cited as precedent by taxpayers.